[Provisional Translation Only]
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Issuer
Ichigo Office REIT Investment Corporation ("Ichigo Office," 8975)
1-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Representative: Yoshihiro Takatsuka, Executive Director
www.ichigo-office.co.jp/english

Asset Management Company
Ichigo Investment Advisors Co., Ltd.
Representative: Wataru Orii, President
Inquiries: Hiroto Tajitsu, Head of Administration
Tel: +81-3-3502-4891

Acquisition of Two Office Assets and Sale of Two Non-Office Assets

Ichigo Office decided today to acquire two office assets and sell two non-office retail assets.

1. Asset Acquisition Summary

Total appraisal value: JPY 6,590 million Total acquisition price: JPY 6,095 million

Asset Number Asset Name[1]	O-92 Ichigo Minami Otsuka Building	O-93 Ichigo Nogizaka Building
Asset Type	Office	Office
Date Built	May 1987	May 1983
Legal Form of Asset	Trust beneficiary interest in real estate (*juekiken*)	Trust beneficiary interest in real estate (*juekiken*)
Appraisal Value[2]	JPY 3,080 million	JPY 3,510 million
Acquisition Price[3]	JPY 2,780 million	JPY 3,315 million
Seller[4]	Domestic special purpose company	Domestic real estate company
Contract Date	December 14, 2018	December 14, 2018
Closing Date	December 21, 2018	December 28, 2018
Financing Method[5]	Cash-on-hand and loans	
Settlement Method	Lump-sum payment	

[1] Ichigo Office will change the building names from the Minami Otsuka Square Building and Unizo Nogizaka Building to the Ichigo Minami Otsuka Building and Ichigo Nogizaka Building, respectively, after the acquisitions. For purposes of this release, the buildings are referred to as the Ichigo Minami Otsuka Building and Ichigo Nogizaka Building.

[2] Appraisal Value is calculated by Daiwa Real Estate Appraisal and Tanizawa Sogo Appraisal as of November 1, 2018, and is in compliance with the appraisal guidelines

of Ichigo Investment Advisors ("IIA") as well as the rules of the Investment Trusts Association of Japan.

[3] Acquisition Price excludes incidental expenses such as fees and property, city planning, and consumption taxes.

[4] The sellers did not provide consent to disclose their names.

[5] Ichigo Office will announce the financing details as soon as they are available.

2. Asset Sale Summary

Total appraisal value: JPY 3,330 million Total sale price: JPY 3,600 million

Asset Name	Ichigo Machida East Building	Ichigo Shin Yokohama Arena Dori Building
Asset Type/Asset Number	Retail/Z-05	Retail/Z-13
Date Built	May 1989	October 2001
Legal Form of Asset	Trust beneficiary interest in real estate (*juekiken*)	Trust beneficiary interest in real estate (*juekiken*)
Acquisition Date	November 1, 2011 (Acquired by former Ichigo REIT on March 15, 2006)	December 15, 2014
Sale Price[1,2] (A)	JPY 3,600 million	
Buyer[3]	Domestic real estate company	
Book Value[4] (B)	JPY 1,270 million	JPY 1,677 million
Sale Price vs. Book Value[4] (A) – (B)	+JPY 652 million	
Appraisal Value[5]	JPY 1,550 million	JPY 1,780 million
Contract Date	December 14, 2018	
Transaction Date	December 20, 2018	
Closing Date	December 20, 2018	
Settlement Method	Transfer of trust beneficiary interest in real estate	

[1] Sale Price is the total sale price of the assets excluding incidental expenses such as fees and property, city planning, and consumption taxes.

[2] Sale Price is the total sale price of the two assets, because the buyer did not provide consent to disclose each asset's sale price. To be clear, each asset's sale price is higher than both its book value and its appraisal value.

[3] The buyer did not provide consent to disclose its name.

[4] Book Value is an estimate based upon the most recent book value (October 2018 fiscal period), adjusted for capital expenditures and depreciation through the Closing Date. Sale Price vs. Book Value is the difference between the total sale price and total book value of the assets (i.e., the Sale Price is higher than Book Value).

[5] Appraisal Value is calculated by Tanizawa Sogo Appraisal and Daiwa Real Estate Appraisal as of October 31, 2018, and is in compliance with the appraisal guidelines of IIA as well as the rules of the Investment Trusts Association of Japan.

3. Transaction Rationale

As a specialized office REIT that focuses on mid-size offices, Ichigo Office continues to execute on its strategy to grow shareholder value by focusing its portfolio on high-quality office assets.

Consistent with this growth strategy, Ichigo Office is buying two office assets and selling two non-office retail assets. Ichigo Office's post-transaction portfolio will be 79 office assets, or 94.6% of the total portfolio. The transaction is expected to increase annual NOI by c. JPY 69 million.

The acquisitions are located in areas of Tokyo where there is strong tenant demand and upside rent potential. Please refer to Section 4 below for additional details on the features and specific acquisition rationale for each asset. The Ichigo Minami Otsuka Building's and Ichigo Nogizaka Building's tenants fully comply with the "Real Estate Investment Trust Issuer Management Report" (Japanese only) submitted on July 26, 2018.

Ichigo Office decided to sell the two retail assets because of the significant anticipated expenditures required to maintain their ongoing operations and competitiveness and the challenging rental outlook for restaurants. The asset sales are expected to generate gains on sales of c. JPY 640 million.

Proceeds from the asset sales will be used to finance the asset acquisitions in tandem with new loans.

4. Details of the Two Office Assets being Acquired

Ichigo Office has specialized capabilities to operate, add value to, and increase the profitability of mid-size office assets, and determined that the acquisitions would leverage those capabilities to drive higher asset and portfolio value. In evaluating these assets for acquisition, it took into consideration the following features and characteristics:

a. Ichigo Minami Otsuka Building

(1) Location

The Ichigo Minami Otsuka Building is located in Minami Otsuka, a retail district with hotels and shops surrounding Otsuka Station in north-central Tokyo. The area near Otsuka Station has undergone extensive redevelopment, and there are many office buildings due to its convenient location.

The area offers easy train access to central Tokyo via the JR Yamanote, Tokyo Metro Marunouchi, and Toden Arakawa Lines. Otsuka Station is one station away on the JR Yamanote Line from Ikebukuro Station, a major transportation and commercial hub.

(2) Features

The Ichigo Minami Otsuka Building is a mid-size office building located within a six-minute walk from Otsuka Station on the JR Yamanote Line and a three-minute walk from Shin-Otsuka Station on the Tokyo Metro Marunouchi Line.

Each floor has a standard floor plate of 528m^2 (160 tsubo) and is equipped with individual air conditioning systems and raised-access floors, therefore catering to the demands of diverse tenants. The building's common areas have been refurbished.

Tenants include a real estate company, IT company, and construction material manufacturer.

(3) Building Exterior/Interior and Location







Asset Overview						
Asset Name		Ichigo Minami Otsuka Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mizuho Trust & Banking Co., Ltd.				
Period of Trust Contract		March 16, 2017 – December 31, 2028 (expected)				
Location		3-10-10 Minami Otsuka, Toshima-ku, Tokyo				
Land	Property Right	Freehold				
	Area	955.58m^2				
	Zoning	Retail, Residential				
	Coverage Ratio/ Floor Area Ratio	80%/500% & 60%/400%				
Building	Property Right	Freehold				
	Use	Office, Parking				
	Structure	Steel Reinforced Concrete, 7F				
	Total Floor Area	4,500.11m^2				
	Date Built	May 25, 1987				
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.				
Appraisal Value		JPY 3,080 million				
Appraisal Date		November 1, 2018				
Value by Direct Capitalization Method		JPY 3,250 million				
Architect[1]		Nihon Building Project Co., Ltd. First-Class Registered Architects Office				
Builder[1]		Fujita Engineering Co., Ltd., Tokyo Office				
Structural Designer[1]		Nihon Building Project Co., Ltd. First-Class Registered Architects Office				
Inspection Agency[1]		Toshima Ward				
PML (Assessor)		4.32% (Sompo Risk Management & Health Care Inc.)				
Collateral		None (expected)				
Tenant & Lease Overview (as of October 31, 2018)						
Number of Tenants		9				
Monthly Rental Income		JPY 11.021 million				
Tenant Security Deposits		JPY 112.58 million				
Leasable Area		3,127.84m^2				
Leased Area		3,127.84m^2				
Occupancy		Oct 2016	Apr 2017	Oct 2017	Apr 2018	Oct 2018
		100%	100%	100%	100%	100%
Property Management Company		Shimizu Comprehensive Development Corporation (expected)				
Master Lease Company		Ichigo Office REIT Investment Corporation (expected)				
Master Lease Type		Pass-through (expected)				

Special Items
1. Part of the concrete pavement encroaches on the northeast neighbor. There is a memorandum of understanding to rectify the situation when a large-scale renovation or reconstruction is conducted in the future. 2. An engineering report indicates that the fire extinguisher is in need of repair, which the seller has agreed to rectify at the seller's expense after the acquisition.

[1] The names of the architect, builder, structural designer, and inspection agency are those as of when the building was built.

Appraisal Details		
Asset Name	Ichigo Minami Otsuka Building	
Appraisal Value	JPY 3,080,000,000	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	November 1, 2018	
	Amount (JPY)	**Note**
Appraisal Value	3,080,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	3,250,000,000	
Income	178,799,098	
Maximum Obtainable Rental Income	186,247,144	Based on an analysis of potential rental income, common area service income, parking lot income, and other income
Vacancy Loss	7,448,046	Based on long-term vacancy rates
Expenses	43,310,918	
Administrative and Maintenance Expenses	11,921,900	Based on actual amounts
Utility Expenses	10,786,452	Based on actual amounts
Repair Expenses	1,730,167	Based on engineering reports
PM Fee	2,703,826	Based on current rate
Leasing Brokerage Fees	1,125,909	Based on tenant acquisition costs for similar assets
Taxes	13,679,900	Based on FY2018 actual amounts
Insurance Premiums	340,890	Based on a quote from an insurance company
Other Expenses	1,021,874	Consumable goods, etc.
Net Operating Income (NOI)	135,488,180	
Income on Investment of Deposits Received	1,311,590	Based on a 1.0% investment yield
Capital Expenditure	6,781,750	Based on engineering reports
Net Profit	130,018,020	
Cap Rate	4.0%	Based on transactions of similar assets and a comprehensive assessment of the asset's location, its specific characteristics, and market trends
Value via DCF Method	3,000,000,000	
Discount Rate	3.8%	Based on transactions of similar assets and the current yield of financial assets, taking into consideration the asset's specific characteristics
Terminal Cap Rate	4.2%	Based upon risk-adjusted NOI

Value via Cost Approach		3,450,000,000	
	Land	89.6%	
	Building	10.4%	
Notes			
None			

Appraisal NOI Yield: 4.9% (calculated by dividing NOI by Acquisition Price)

b. Ichigo Nogizaka Building

(1) Location

The Ichigo Nogizaka Building is in Tokyo's Nogizaka area near the popular Akasaka, Roppongi, and Minami Aoyama commercial districts. It is an area that attracts many foreign companies, with high-rise office buildings along a major thoroughfare.

The area benefits from convenient access to transportation, including the Tokyo Metro Chiyoda Line, as well as to major roads.

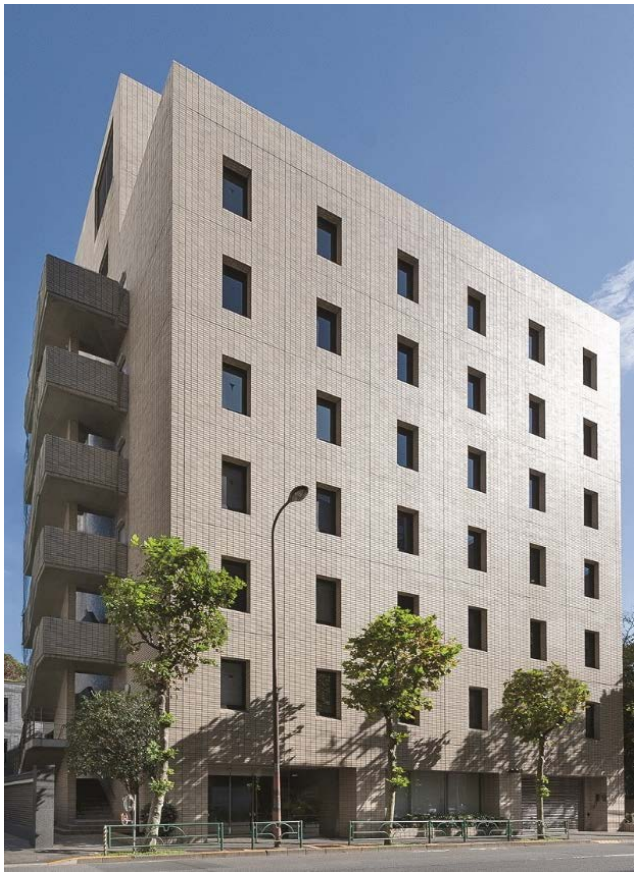
(2) Features

The Ichigo Nogizaka Building is a mid-size office building located within a two-minute walk from Nogizaka Station on the Tokyo Metro Chiyoda Line and an eight-minute walk from Roppongi Station on the Toei Oedo and Tokyo Metro Hibiya Lines.

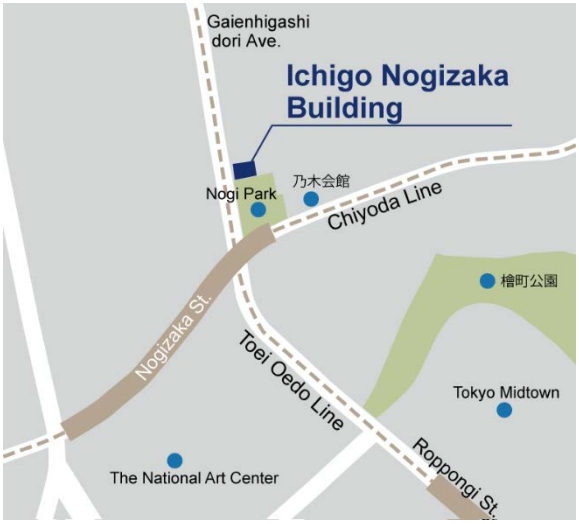
Each floor has a standard floor plate of 280m^2 (85 tsubo) and is equipped with individual air conditioning systems and raised-access floors, therefore catering to the demands of diverse tenants.

Tenants include an auto parts importer, office equipment manufacturer, and apparel company.

(3) Building Exterior/Interior and Location







Asset Overview						
Asset Name		Ichigo Nogizaka Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Trustee		Mizuho Trust & Banking Co., Ltd.				
Period of Trust Contract		May 2, 2011 – December 31, 2028 (expected)				
Location		8-11-37 Akasaka, Minato-ku, Tokyo				
Land	Property Right	Freehold				
	Area	670.17m^2				
	Zoning	Retail				
	Coverage Ratio Floor Area Ratio	80% 500%				
Building	Property Right	Freehold				
	Use	Office				
	Structure	Steel Reinforced Concrete, B1/7F				
	Total Floor Area	3,159.30m^2				
	Date Built	May 27, 1983				
Appraiser		Tanizawa Real Estate Appraisal Co., Ltd.				
Appraisal Value		JPY 3,510 million				
Appraisal Date		November 1, 2018				
Value by Direct Capitalization Method		JPY 3,670 million				
Architect[1]		Nihon Sekkei, Inc.				
Builder[1]		Obayashi Corporation Tokyo Head Office				
Structural Designer[1]		Nihon Sekkei, Inc.				
Inspection Agency[1]		Minato Ward				
PML (Assessor)		8.03% (Sompo Risk Management & Health Care Inc.)				
Collateral		None (expected)				
Tenant & Lease Overview (as of October 31, 2018)						
Number of Tenants		5				
Monthly Rental Income		JPY 12.244 million				
Tenant Security Deposits		JPY 111.149 million				
Leasable Area		2,175.88m^2				
Leased Area		2,175.88m^2				
Occupancy		Oct 2016	Apr 2017	Oct 2017	Apr 2018	Oct 2018
		100%	100%	90.1%	100%	100%
Property Management Company		Japan Property Solutions Co., Ltd. (expected)				
Master Lease Company		Ichigo Office REIT Investment Corporation (expected)				
Master Lease Type		Pass-through (expected)				

Special Items
1. Part of the drainage system encroaches on the southern neighbor. There is a memorandum of understanding to rectify the situation when a large-scale renovation or reconstruction is conducted in the future.

2. Part of the exterior encroaches on the northern neighbor. There is a memorandum of understanding to rectify the situation when a large-scale renovation or reconstruction is conducted in the future.
3. A report by Earth-Appraisal Co., Ltd. indicates that although asbestos was detected in the paint coating used for the outdoor staircase, there is no risk of the asbestos becoming airborne during normal use given that there are no significant damages and the coating is in good condition. Ichigo Office expects to incur c. JPY 7 million in expenses to remove the asbestos as part of future building renovations, which will be booked as a liability for asset retirement obligation for the April 2019 fiscal period.
4. An engineering report indicates the heat resistance for the ducts of the outdoor HVAC unit installed near the basement staircase could not be confirmed. Ichigo Office will rectify the issue at its own expense after the acquisition.

[1] The names of the architect, builder, structural designer, and inspection agency are those as of when the building was built.

Appraisal Details		
Asset Name	Ichigo Nogizaka Building	
Appraisal Value	JPY 3,510,000,000	
Appraiser	Tanizawa Real Estate Appraisal Co., Ltd.	
Appraisal Date	November 1, 2018	
	Amount (JPY)	**Note**
Appraisal Value	3,510,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	3,670,000,000	
Income	186,865,064	
Maximum Obtainable Rental Income	196,845,962	Based on an analysis of potential rental income, common area service income, parking lot income, and other income
Vacancy Loss	9,980,898	Based on long-term vacancy rates
Expenses	48,902,414	
Administrative and Maintenance Expenses	9,478,149	Based on the building management contract and past actual amounts
Utility Expenses	9,791,477	Based on past actual amounts
Repair Expenses	4,360,000	Based on engineering reports and similar assets
PM Fee	2,824,265	Based on similar assets
Leasing Brokerage Fees	1,238,888	Based on 10% turnover rate
Taxes	20,764,000	Based on FY2018 actual amounts
Insurance Premiums	258,770	Based on a quote from an insurance company
Other Expenses	186,865	Based on past actual amounts
Net Operating Income (NOI)	137,962,650	
Income on Investment of Deposits Received	1,367,108	Based on a 1.0% investment yield
Capital Expenditure	10,900,000	Based on engineering reports and similar assets
Net Profit	128,429,758	
Cap Rate	3.5%	Based on transaction yields of offices in the area and an assessment of the asset's location, its specific characteristics, and discount rates
Value via DCF Method	3,440,000,000	
Discount Rate	3.6%	Based upon risk-adjusted base yields of offices
Terminal Cap Rate	3.7%	Based upon current NOI adjusted for future earnings fluctuation and risk
Value via Cost Approach	3,440,000,000	
Land	90.7%	
Building	9.3%	

Notes
Expenses to remove the asbestos are reflected in the appraisal calculation.

Appraisal NOI Yield: 4.2% (calculated by dividing NOI by Acquisition Price)

5. Seller Profiles

a. Ichigo Minami Otsuka Building

Name	The seller, a domestic special purpose company, did not provide consent to disclose its name.
Relationship with Ichigo Office or IIA	The seller does not have any capital, personnel, or business relationship of note with Ichigo Office or IIA. In addition, the seller is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal rules of the Asset Management Company.

b. Ichigo Nogizaka Building

Name	The seller, a domestic real estate company, did not provide consent to disclose its name.
Relationship with Ichigo Office or IIA	The seller does not have any capital, personnel, or business relationship of note with Ichigo Office or IIA. In addition, the seller is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal rules of the Asset Management Company.

6. Broker Profiles

a. Ichigo Minami Otsuka Building

Name	Mizuho Trust & Banking Co., Ltd.
Address	1-2-1 Yaesu, Chuo-ku, Tokyo
Representative	CEO Tetsuo Iimori
Principal Businesses	Trust business and banking business
Capital	JPY 2,473,690,000 (as of March 31, 2018)
Establishment Date	March 12, 2003
Relationship with Ichigo Office or IIA	The broker does not have any capital, personnel, or business relationship of note with Ichigo Office or IIA. In addition, although the broker is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law, it is a related party as defined in the internal rules of the Asset Management Company because it is Ichigo Office’s custodian.
Broker Fee	The broker did not provide consent to disclose the broker fee.

b. Ichigo Nogizaka Building

N/A

7. Details of the Two Non-Office Assets being Sold

a. Ichigo Machida East Building

Asset Overview						
Asset Name		Ichigo Machida East Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Location		4-5-8 Haramachida, Machida City, Tokyo				
Land	Property Right	Freehold				
	Area	505.71m^2				
	Zoning	Retail				
	Coverage Ratio Floor Area Ratio	80% 600%				
Building	Property Right	Freehold				
	Use	Retail, Office				
	Structure	Reinforced Concrete/Steel, B1/7F				
	Total Floor Area	2,530.16m^2				
	Date Built	May 2, 1989				
Number of Tenants		10 (as of October 31, 2018)				
Monthly Rental Income		JPY 9.533 million (as of October 31, 2018)				
Tenant Security Deposits		JPY 84.540 million (as of October 31, 2018)				
Leasable Area		2,183.65m^2 (as of October 31, 2018)				
Leased Area		2,183.65m^2 (as of October 31, 2018)				
Occupancy		Oct 2016	Apr 2017	Oct 2017	Apr 2018	Oct 2018
		100%	100%	100%	100%	100%
Acquisition Price		JPY 1,310 million				
Appraisal Value	Appraiser	Tanizawa Real Estate Appraisal Co., Ltd.				
	Appraisal Date	October 31, 2018				
	Appraisal Value	JPY 1,550 million				

Monthly Rental Income (including cost of utilities) and Tenant Security Deposits refer to those stated in the lease agreement.

Appraisal Details		
Asset Name	Ichigo Machida East Building	
Appraisal Value	JPY 1,550,000,000	
Appraiser	Tanizawa Real Estate Appraisal Co., Ltd.	
Appraisal Date	October 31, 2018	
	Amount (JPY)	**Note**
Appraisal Value	1,550,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	1,540,000,000	
Income	125,605,683	
Maximum Obtainable Rental Income	132,216,508	Based on an analysis of potential rental income, common area service income, and other income
Vacancy Loss	6,610,825	Based on long-term vacancy rates
Expenses	41,150,818	
Administrative and Maintenance Expenses	7,924,844	Based on similar assets and past actual amounts
Utility Expenses	19,380,559	Based on similar assets and past actual amounts
Repair Expenses	4,131,000	Based on engineering reports and similar assets
PM Fee	2,704,080	Based on similar assets and past actual amounts
Leasing Brokerage Fees	856,479	Based on expected turnover rate and tenant acquisition costs for similar assets
Taxes	5,895,700	Based on FY2018 actual amounts
Insurance Premiums	132,550	Based on FY2018 actual amounts
Other Expenses	125,606	Consumable goods, etc.
Net Operating Income (NOI)	84,454,865	
Income on Investment of Deposits Received	782,361	Based on a 1.0% investment yield
Capital Expenditure	9,639,000	Based on engineering reports and similar assets
Net Profit	75,598,226	
Cap Rate	4.9%	Based on transactions of similar assets and a comprehensive assessment of the asset's location, its specific characteristics, and market trends
Value via DCF Method	1,550,000,000	
Discount Rate	4.8%	Based on transactions of similar assets and the current yield of financial assets, taking into consideration the asset's specific characteristics
Terminal Cap Rate	5.1%	Based upon risk-adjusted NOI

Value via Cost Approach		1,520,000,000	
	Land	80.8%	
	Building	19.2%	
Notes			
None			

b. Ichigo Shin Yokohama Arena Dori Building

Asset Overview						
Asset Name		Ichigo Shin Yokohama Arena Dori Building				
Form of Ownership		Trust beneficiary interest in real estate (*juekiken*)				
Location		3-7-7 Shin-Yokohama, Kohoku-ku, Yokohama				
Land	Property Right	Freehold				
	Area	684.00m^2				
	Zoning	Retail				
	Coverage Ratio Floor Area Ratio	80% 800%				
Building	Property Right	Freehold				
	Use	1) Retail, Office; 2) Trash Room, Boiler Room; 3) Parking				
	Structure	1) Steel, 6F; 2) Steel, 2F; 3) Steel, 1F				
	Total Floor Area	1) 2,323.22m^2; 2) 33.26m^2; 3) 92.09m^2				
	Date Built	October 19, 2001				
Number of Tenants		5 (as of October 31, 2018)				
Monthly Rental Income		JPY 8.850 million (as of October 31, 2018)				
Tenant Security Deposits		JPY 42.868 million (as of October 31, 2018)				
Leasable Area		1,971.34m^2 (as of October 31, 2018)				
Leased Area		1,971.34m^2 (as of October 31, 2018)				
Occupancy		Oct 2016	Apr 2017	Oct 2017	Apr 2018	Oct 2018
		100%	100%	100%	100%	100%
Acquisition Price		JPY 1,700 million				
Appraisal Value	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.				
	Appraisal Date	October 31, 2018				
	Appraisal Value	JPY 1,780 million				

Monthly Rental Income (including cost of utilities) and Tenant Security Deposits refer to those stated in the lease agreement.

Appraisal Details		
Asset Name	Ichigo Shin Yokohama Arena Dori Building	
Appraisal Value	JPY 1,780,000,000	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date	October 31, 2018	
	Amount (JPY)	**Note**
Appraisal Value	1,780,000,000	Based on a DCF valuation, and verified using a direct capitalization valuation
Value by Direct Capitalization Method	1,800,000,000	
Income	148,234,001	
Maximum Obtainable Rental Income	153,715,812	Based on an analysis of potential rental income, common area service income, parking lot income, and other income
Vacancy Loss	5,481,811	Based on long-term vacancy rates
Expenses	56,879,730	
Administrative and Maintenance Expenses	12,880,728	Based on similar assets and past actual amounts
Utility Expenses	30,412,830	Based on similar assets and past actual amounts
Repair Expenses	1,910,667	Based on engineering reports and similar assets
PM Fee	2,264,926	Based on similar assets and past actual amounts
Leasing Brokerage Fees	770,149	Based on expected turnover rate, past actual amounts, and tenant acquisition costs for similar assets
Taxes	7,744,100	Based on FY2018 actual amounts
Insurance Premiums	155,160	Based on FY2018 actual amounts
Other Expenses	741,170	Consumable goods, etc.
Net Operating Income (NOI)	91,354,271	
Income on Investment of Deposits Received	474,689	Based on a 1.0% investment yield
Capital Expenditure	1,620,000	Based on engineering reports and similar assets
Net Profit	90,208,960	
Cap Rate	5.0%	Based on transactions of similar assets and a comprehensive assessment of the asset's location, its specific characteristics, and market trends
Value via DCF Method	1,770,000,000	
Discount Rate	4.8%	Based on transactions of similar assets and the current yield of financial assets, taking into consideration the asset's specific characteristics
Terminal Cap Rate	5.2%	Based upon risk-adjusted NOI

Value via Cost Approach		1,770,000,000	
	Land	83.8%	
	Building	16.2%	
Notes			
None			

8. Buyer Details

a. Ichigo Machida East Building

Name	The buyer, a domestic real estate company, did not provide consent to disclose its name.
Relationship with Ichigo Office or IIA	The seller does not have any capital, personnel, or business relationship of note with Ichigo Office or IIA. In addition, the seller is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal rules of the Asset Management Company.

b. Ichigo Shin Yokohama Arena Dori Building

Name	The buyer, a domestic real estate company, did not provide consent to disclose its name.
Relationship with Ichigo Office or IIA	The seller does not have any capital, personnel, or business relationship of note with Ichigo Office or IIA. In addition, the seller is not an interested party as defined in the Enforcement Ordinance of the Investment Trust and Investment Corporation Law or the internal rules of the Asset Management Company.

9. Broker Details

N/A

10. Use of Sale Proceeds

Proceeds from these asset sales will be used towards the asset acquisitions.

11. Transaction Schedule

Ichigo Office Board Resolution Date	December 14, 2018
Contract Date	December 14, 2018
Closing Date for Asset Sales	(1) Ichigo Machida East Building December 20, 2018 (Expected) (2) Ichigo Shin Yokohama Arena Dori Building December 20, 2018 (Expected)
Closing Date for Asset Acquisitions	(1) Ichigo Minami Otsuka Building December 21, 2018 (Expected) (2) Ichigo Nogizaka Building December 28, 2018 (Expected)

12. Earnings Outlook

The impact of these acquisitions and sales on Ichigo Office's April 2019 and October 2019 earnings are reflected in today's April 2019 earnings forecast revision. Ichigo Office is revising up operating revenue by 11.5% and the dividend by 12.2%.

Reference

1. Rental Income and Expense Details of Assets being Acquired

a. Ichigo Minami Otsuka Building (JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	173	148
B. Rental Expenses (excluding depreciation)[3]	45	42
C. NOI (A-B)	127	106
D. NOI Yield[4]	4.6%	3.8%
E. Depreciation[5]	14	14
F. Post-depreciation NOI (C-E)	113	91
G. Post-depreciation NOI Yield[4]	4.1%	3.3%
H. Occupancy[6]	95.0%	100.0%

b. Ichigo Nogizaka Building (JPY million)

	Forecast[1]	At Acquisition[2]
A. Rental Income	188	163
B. Rental Expenses (excluding depreciation)[3]	52	47
C. NOI (A-B)	135	115
D. NOI Yield[4]	4.1%	3.5%
E. Depreciation[5]	17	17
F. Post-depreciation NOI (C-E)	118	98
G. Post-depreciation NOI Yield[4]	3.6%	3.0%
H. Occupancy[6]	97.0%	100.0%

[1] Amounts exclude special factors in the year of acquisition and are calculated based on current and future anticipated fluctuations in occupancy.

[2] Shows first-year amounts used to calculate the DCF-based valuation, excluding special factors in the year of acquisition.

[3] Rent-related expenses include incidental expenses such as service provider expenses; property, city planning, and consumption taxes; and other fees.

[4] Forecast NOI yield and NOI yield at Acquisition are calculated by dividing the Forecast NOI and NOI at Acquisition by the acquisition price, respectively (rounded off to the nearest tenth of a percent.)

[5] Depreciation is estimated by Ichigo Office.

[6] Occupancy at acquisition is as of October 31, 2018.

2. Engineering Report Summary

(JPY million)

Asset Name	Ichigo Minami Otsuka Building	Ichigo Nogizaka Building
Name of Inspector	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Date of Inspection	October 2018	November 2018
Short-Term Repair Expenses[1]	–	–
Long-Term Repair Expenses[2]	102.143	149.936
Current Replacement Cost	1,476.8	1,084.9

[1] Short-Term Repair Expense is defined as repair expenses considered necessary beyond the scope of ordinary maintenance within a year from the time of inspection.

[2] Long-Term Repair Expense is defined as repair expenses considered necessary for the maintenance of the asset within 12 years from the time of inspection.

Portfolio Reference Information

Post-Transaction Portfolio

No.	Asset Name	Area[1]	Acquisition Price[2] (JPY million)	% of Portfolio[3]
O-02	Ichigo Nishisando Building	Central Tokyo	3,254	1.6
O-03	Ichigo Mita Building	Central Tokyo	2,740	1.3
O-04	Ichigo Nanpeidai Building	Central Tokyo	1,920	0.9
O-05	Ichigo Hanzomon Building	Central Tokyo	1,550	0.8
O-06	Ichigo Hijirizaka Building	Central Tokyo	1,200	0.6
O-07	Ichigo Shibuya Kamiyamacho Building	Central Tokyo	1,505	0.7
O-08	Ichigo Akasaka 5 Chome Building	Central Tokyo	735	0.4
O-09	Ichigo Shibakoen Building	Central Tokyo	1,100	0.5
O-10	Ichigo Ebisu Nishi Building	Central Tokyo	1,917	0.9
O-11	Ichigo Ginza 612 Building	Central Tokyo	1,773	0.9
O-12	Ichigo Uchikanda Building	Central Tokyo	1,140	0.6
O-14	Ichigo Yotsuya 4 Chome Building	Central Tokyo	550	0.3
O-15	Ichigo Tameike Building	Central Tokyo	580	0.3
O-16	Ichigo Jimbocho Building	Central Tokyo	1,820	0.9
O-17	Ichigo Hakozaki Building	Central Tokyo	1,150	0.6
O-18	Ichigo Kudan 2 Chome Building	Central Tokyo	763	0.4
O-19	Ichigo Kudan 3 Chome Building	Central Tokyo	844	0.4
O-20	Ichigo Gotanda Building	Central Tokyo	5,060	2.5
O-21	Ichigo Shin Yokohama Building	Tokyo Metro Area	1,816	0.9
O-22	Ichigo Minami Ikebukuro Building	Tokyo Metro Area	1,460	0.7
O-23	Ichigo Nakano North Building	Tokyo Metro Area	764	0.4
O-24	Ichigo Eitai Building	Tokyo Metro Area	1,490	0.7
O-26	Ichigo Ikejiri Building	Tokyo Metro Area	2,030	1.0
O-27	Ichigo Nishi Ikebukuro Building	Tokyo Metro Area	639	0.3
O-28	Ichigo Nishi Gotanda Building	Central Tokyo	765	0.4
O-29	Ichigo Kichijoji Building	Tokyo Metro Area	2,160	1.1
O-34	Ichigo Sakae Building	Four Major Regional Cities	4,705	2.3
O-37	Ichigo Marunouchi Building	Four Major Regional Cities	6,710	3.3
O-38	Ichigo Toyamaeki Nishi Building	Other Regional Cities	1,650	0.8
O-39	Ichigo Mirai Shinkin Building	Other Regional Cities	1,158	0.6
O-42	Ichigo Takamatsu Building	Other Regional Cities	3,010	1.5
O-46	Ichigo Kanda Nishikicho Building	Central Tokyo	2,130	1.0
O-47	Ichigo Akihabara North Building	Central Tokyo	5,500	2.7

No.	Asset Name	Area[1]	Acquisition Price[2] (JPY million)	% of Portfolio[3]
O-48	Ichigo Sakaisuji Honmachi Building	Four Major Regional Cities	1,940	1.0
O-49	Ichigo Kanda Ogawamachi Building	Central Tokyo	2,210	1.1
O-50	Ichigo Hatchobori Building	Central Tokyo	1,905	0.9
O-51	Ebisu Green Glass	Central Tokyo	5,900	2.9
O-52	Ichigo Omori Building	Central Tokyo	3,850	1.9
O-53	Ichigo Takadanobaba Building	Central Tokyo	1,580	0.8
O-54	Ichigo Omiya Building	Tokyo Metro Area	3,430	1.7
O-55	Ichigo Sagamihara Building	Tokyo Metro Area	1,174	0.6
O-56	Ichigo Ofuna Building	Tokyo Metro Area	2,000	1.0
O-57	Ichigo Sendai East Building	Other Regional Cities	1,840	0.9
O-58	Ichigo Kumamoto Building	Other Regional Cities	1,450	0.7
O-59	Ichigo Jingumae Building	Central Tokyo	7,200	3.5
O-60	Ichigo Shibuya Dogenzaka Building	Central Tokyo	3,650	1.8
O-61	Ichigo Hiroo Building	Central Tokyo	3,960	2.0
O-62	Ichigo Sasazuka Building	Central Tokyo	4,780	2.4
O-63	Ichigo Nihonbashi East Building	Central Tokyo	4,700	2.3
O-64	Ichigo Sakurabashi Building	Central Tokyo	2,500	1.2
O-65	Ichigo Shinkawa Building	Central Tokyo	2,360	1.2
O-66	Ichigo Kudan Building	Central Tokyo	3,190	1.6
O-67	Ichigo Higashi Gotanda Building	Central Tokyo	3,660	1.8
O-68	Axior Mita	Central Tokyo	1,800	0.9
O-69	Ichigo Higashi Ikebukuro Building	Tokyo Metro Area	4,570	2.3
O-70	Koriyama Big-i (Office Section)	Other Regional Cities	1,660	0.8
O-71	Ichigo Kawasaki Building	Tokyo Metro Area	1,750	0.9
O-72	Ichigo Shibuya East Building	Central Tokyo	1,350	0.7
O-73	Ichigo Ningyocho Building	Central Tokyo	1,450	0.7
O-74	Ichigo Nishi Honmachi Building	Four Major Regional Cities	2,190	1.1
O-75	Ichigo Hakata Building	Four Major Regional Cities	1,380	0.7
O-76	Ichigo Nishiki First Building	Four Major Regional Cities	2,000	1.0
O-77	Ichigo Ikenohata Building	Tokyo Metro Area	5,130	2.5
O-78	Ichigo Ikebukuro East Building	Tokyo Metro Area	3,010	1.5
O-79	Ichigo Motoazabu Building	Central Tokyo	1,890	0.9
O-80	Ichigo Otsuka Building	Tokyo Metro Area	2,740	1.3
O-81	Ichigo Nagoya Building	Four Major Regional Cities	3,420	1.7

No.	Asset Name	Area[1]	Acquisition Price[2] (JPY million)	% of Portfolio[3]
O-82	Ichigo Fushimi Building	Four Major Regional Cities	2,340	1.2
O-83	Ichigo Nishiki Building	Four Major Regional Cities	1,330	0.7
O-84	Ichigo Minami Morimachi Building	Four Major Regional Cities	1,040	0.5
O-85	Ichigo Shibuya Udagawacho Building	Central Tokyo	3,500	1.7
O-86	Win Gotanda Building	Central Tokyo	3,100	1.5
O-87	Ichigo Hongo Building	Tokyo Metro Area	2,300	1.1
O-88	Oimachi Center Building	Central Tokyo	1,680	0.8
O-89	Win Gotanda Building 2	Central Tokyo	3,300	1.6
O-90	MIF Building	Central Tokyo	2,200	1.1
O-91	Ichigo Uchi Honmachi Building	Four Major Regional Cities	1,900	0.9
O-92	**Ichigo Minami Otsuka Building**	**Tokyo Metro Area**	**2,780**	**1.4**
O-93	**Ichigo Nogizaka Building**	**Central Tokyo**	**3,315**	**1.6**
		Subtotal - Office (79 Assets)	191,992	94.6
Z-02	Ichigo Fiesta Shibuya Building	Central Tokyo	1,970	1.0
Z-09	Konami Sports Club Izumi Fuchu	Other Regional Cities	1,210	0.6
Z-10	Ichigo Shibuya Bunkamura Dori Building	Central Tokyo	2,400	1.2
Z-11	Twicere Yokohama Isogo (Retail Section)	Tokyo Metro Area	1,620	0.8
Z-12	Lions Square Kawaguchi	Tokyo Metro Area	2,430	1.2
Z-14	Ichigo Kamata Building	Tokyo Metro Area	1,400	0.7
		Subtotal - Other (6 Assets)	11,030	5.4
		Total (85 Assets)	203,022	100.0

[1] Central Tokyo refers to Chiyoda, Minato, Chuo, Shinjuku, Shibuya, and Shinagawa Wards. Tokyo Metro Area refers to Tokyo (excluding the six wards above), Kanagawa, Chiba, and Saitama Prefectures. Four Major Regional Cities refers to Osaka, Nagoya, Fukuoka, and Sapporo.

[2] Acquisition Price excludes incidental expenses such as consumption taxes and other fees. Assets O-02 through O-42 (31 assets) and asset Z-02 show the appraisal value as of October 31, 2011.

[3] % of Portfolio is based upon acquisition price.